

**STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION**

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|--|---|----------------|
| Illinois Commerce Commission             | ) |                |
| On Its Own Motion                        | ) |                |
|  | ) | Docket 08-0481 |
|  | ) |                |
| Standards for certain electric           | ) |                |
| interconnection that is not subject      | ) |                |
| to 83 Ill. Adm. Code 466 or other rules. | ) |                |

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**BRIEF ON EXCEPTIONS OF THE STAFF  
OF THE ILLINOIS COMMERCE COMMISSION**

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The Staff of the Illinois Commerce Commission ("the Staff"), by and through its counsel, and pursuant to Section 200.830 of the Commission's Rules of Practice (83 Ill. Adm. Code 200.830), respectfully submits its Brief on Exceptions in the above-captioned matter.

The following parties filed initial comments and reply comments in this proceeding: Central Illinois Light Company d/b/a AmerenCILCO, Central Illinois Public Service Company d/b/a AmerenCIPS, Illinois Power Company d/b/a AmerenIP (collectively, "Ameren"); Commonwealth Edison Company ("ComEd"); Environmental Law and Policy Center, the City of Chicago, and the People of the State of Illinois (collectively, "Joint Commentors"); and MidAmerican Energy Company ("MidAmerican").

Staff commends the Administrative Law Judge ("ALJ") for the thorough, cogently-reasoned analysis contained in the Proposed Order ("PO"). The PO also provides an accurate and detailed summary of the positions of the parties and reaches conclusions consistent with analytical reasoning and applicable law. Staff has no exceptions *per se* but does offer the ALJ a few "clarifications." Staff also has some ministerial suggestions

regarding what appear to be a few inadvertent typographical errors. Staff has also attached an updated Attachment A including all the modifications which have been adopted by the PO that should be incorporated into Part 467, as well as additional changes which Staff suggests in this Brief on Exceptions.

## **Clarification 1**

In Section 467.20 Definitions, a part of the definition of “Affected system” as adopted by the PO is redundant as the definition of “Adverse system impact” already incorporates the identical language. As such, Staff recommends that the last sentence be deleted from the definition of “Affected system” as follows:

“Affected system” means an electric system, other than the EDC’s distribution system with which the distributed generation facility is to be directly connected, that could suffer an adverse system impact from the proposed interconnection. ~~An adverse system impact shall take into consideration all higher queued requests in all of the EDC’s interconnection queues, whether transmission, distribution subject to the jurisdiction of the Commission, or subject to the jurisdiction of another state regulatory authority.~~

Other definitions found in Appendix C have also been modified to be identical with the definitions found in Section 467.20.

## **Clarification 2**

### **Transmission Provider Related Issues**

The PO adopts MidAmerican’s proposal to add two new definitions, which are “Transmission provider” and “Transmission upgrades.” PO, at 4-5. Staff agrees with the intended end result of the PO’s adoption of these definitions as articulated in the

Analysis and Conclusions section of the PO, at 5. However, the two newly defined terms do not appear in the rule other than in the Definitions section in 467.20.

In Staff's Reply Comments, pages 2-5, Staff addressed this issue under the heading of "Cost responsibility for system upgrades." Rather than take the route proposed by MidAmerican, however, Staff's proposal was more in line with ComEd's proposal. See ComEd Corrected Comments, at 2. ComEd proposed eliminating the defined term "Distribution upgrade" and adding the defined term "System upgrade" to incorporate both the distribution or transmission upgrades. *Id.* Staff agreed with ComEd's proposal (Staff Reply Comments, at 4<sup>1</sup>) and the PO also adopted ComEd's proposal. Unfortunately, Staff's attempt to take ComEd's proposal into account affected other aspects of the rule and the accompanying documents.<sup>2</sup> This has led to some confusion about Staff's intent, which Staff regrets. In retrospect, Staff wishes it had been clearer in its Reply Comments.

Although both distribution and transmission changes need to be incorporated in a myriad number of locations throughout the rule and its accompanying documents, Staff suggests that the PO and the attached Part 467 be changed by eliminating the two defined terms proposed by MidAmerican: "Transmission provider" and "Transmission upgrades." Part 467 attached to the PO already adopted Staff's and ComEd's proposal to incorporate distribution and transmission aspects in certain numerous parts of the rule and accompanying documents, so by eliminating these two terms and by utilizing the term "System upgrade" in lieu of "Distribution upgrade," the PO and attached Part

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<sup>1</sup> See Staff Reply Comments, at 4 ("Staff agrees that the definitions for 'Adverse system impact' and 'Affected system' should be modified to take effects to the transmission system and other EDCs' distribution systems into account.").

<sup>2</sup> See Staff Reply Comments, at 5 ("Implementing this concept into the rule with all of its attachments involves certain language changes too numerous to detail here.").

467 will be consistent throughout and will achieve what Staff believes was the PO's intent.

This proposed change to the PO and the attached Part 467, of course, will also have to be accurately reflected in the PO and in the Analysis and Conclusions section. Staff, accordingly, suggests that the PO be modified as follows:

#### **A. Transmission Provider-Related Issues**

ComEd, MidAmerican, and Staff all propose certain language changes to the proposed Part 467 to reflect the fact that connecting a large facility could have an impact on the transmission system, in addition to the distribution system. In order to address this issue, ComEd, MidAmerican and Staff all propose certain language changes but differ on how to best address the issue.

ComEd proposes eliminating the term "distribution upgrades" and substituting the term "system upgrades," which would include any addition or modification to the EDC's electric distribution or transmission systems. ComEd also pointed out that changes to the study and cost responsibility provisions also need to be made to reflect that the impact on both the distribution and transmission and the costs of all system upgrades need to be recovered from the interconnection customer. ComEd Comments, at 3.

MidAmerican proposes to add the following definitions to this Section:

"Transmission provider" means the public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce which provides transmission service under the tariff, through which, open access transmission services and interconnection services are offered, as filed with FERC, and as amended or supplemented, from time to time, or any successor tariff.

"Transmission upgrade" means a required addition or modification to the electric transmission system to accommodate the interconnection of the distributed generation facility. Transmission upgrades do not include interconnection facilities.

MidAmerican Comments at 5. MidAmerican asserts that these changes are necessary in order to properly address the cost responsibility that may

arise for any transmission system upgrades that could be brought about by the impacts of distribution system interconnection. It avers that nowhere in the Rule is there a recognition that such upgrades will occur. MidAmerican states that it is the responsibility of the interconnecting customer to contact the appropriate transmission provider with regard to any identified electric transmission constraints that could appear as a result of the studies. As a result, it becomes the transmission provider's responsibility to enter into an interconnection facilities study agreement with the interconnecting customer. Nevertheless, MidAmerican continues, Part 467 should identify these steps in the interconnection facilities study section. *Id.* at 4.

~~ComEd supports these changes. ComEd Reply Comments at 10. Ameren has no objection to these additions. Ameren Reply Comments at 4.~~

Staff noted that MidAmerican and ComEd raise concerns about an issue that can broadly be called "cost responsibility for system upgrades." Staff also opined that the principle that the customer should pay for all upgrades that its project causes the need for should continue to hold. On the other hand, as in cases without transmission effects or effects on other distribution systems, it is unfair to customers when interconnection is unnecessarily slowed down or that they bear a more than proportionate share of upgrade costs.

Staff concluded that the rule should include some form of their proposed language. In particular, Staff agrees that the definitions for "Adverse system impact" and "Affected system" should be modified to take effects to the transmission system and other EDCs' distribution systems into account.

Staff also pointed out that the language in Section 467.70.c.2 needs to be modified to allow the EDC to take other queues into account when conducting its studies. That is, higher queued projects need to be considered in order to determine necessary system upgrades.

Finally, Staff noted that implementing this concept into the rule with all of the accompanying documents involves certain language changes too numerous to detail, but which were incorporated into Att. A to Staff's Reply Comments (Part 467 and accompanying documents).

The Joint Commentors, however, aver that ComEd, Staff and MidAmerican are suggesting that an interconnection customer should be required to contact a transmission provider in order to conduct studies of transmission projects. They maintain that this suggestion unnecessarily blurs the line between state and federal requirements. According to the Joint Commentors, the utilities should be able to conduct the appropriate

studies of system impacts and the RTOs can take those studies into account as appropriate when conducting their own studies of federal jurisdiction projects. Joint Comments at 2-3.

### **Analysis and Conclusions**

We disagree with the Joint Commentors' assertion that this issue is jurisdictional. Rather, MidAmerican, ComEd, and Staff ~~are~~ merely asserting that connecting a large facility could have an impact on the transmission system, in addition to the distribution system. The language proffered by MidAmerican, ComEd, and Staff merely alerts an entity desiring to interconnect under this Rule, which, by definition, is a large generator, that interconnection to the grid may have an impact upon the transmission system. Some form of ~~t~~The language proffered by MidAmerican, ComEd, and Staff is reasonable and should be ~~it is~~ adopted.

Staff has supplied the ALJ with thorough and comprehensive changes to address this issue in its Reply Comments and in its Att. A (Part 467 and accompanying documents). Staff's proffered changes are adopted.

### **Clarification 3**

Under the heading "Section 467.40 Technical Standards" on page 7 of the PO, there is another clarification Staff needs to make. The PO references a proposal by Ameren to Part 467.40. However, Ameren did not propose the last sentence starting with "The interconnection customer... of the electric system." As such, Staff recommends removing this last sentence from the PO, and the PO should read as follows:

Ameren proposed the following changes to Part 467.70:

The EDC shall use relevant technical interconnection standards published by the applicable regional transmission organization (RTO). If such standards do not exist, the ~~parties~~ EDC shall ~~negotiate~~ provide adjustments or modifications to IEEE Standard 1547 that are necessary ~~due to provide for the safety and reliability of the electric system conditions or constraints, or to unique generator characteristics.~~

#### **Clarification 4**

On page 25, under the heading “467.70(E)(1) and (E)(2) Technical Elements,” the PO summarizes Staff’s position noting that Ameren’s proposed modifications to 467.70(e)(1) and (e)(2) are not necessary. Although Staff is not taking exception to the PO’s conclusion here, the PO uses an example of how an EDC should know what an estimate of the fault current is to adequately determine a circuit breaker’s capability. Staff used the term “fault current” as an engineering term of art. The PO appears to be confused in this regard. As such, Staff proposes the following change in this paragraph:

Staff also notes that the information included in this subsection is preliminary in nature. For example, without performing any new short circuit analysis studies, an EDC should know the approximate existing fault ~~that is currently~~ current available at the relevant circuit breakers along with the circuit breakers’ interruption capabilities.

#### **Clarification 5**

On page 27, the PO discusses Staff’s proposed additions to the definitions section in Section 467.20. In particular, the definition for “Affected system” needs to be modified slightly. Staff proposes the following for clarification (simply reinserting “that”):

“Affected system” means an electric system, other than the EDC’s distribution system with which the distributed generation facility is to be directly connected, ~~that is not owned or operated by the electric distribution company reviewing the interconnection request that~~ that could suffer an adverse system impact from the proposed interconnection.

#### **Clarification 6**

In Appendix B, the interconnection application, Staff is further compelled to find ComEd’s argument persuasive about clarifying the information that the customer is to provide to the EDC. Staff recommends inserting “customer-provided” to clarify that the

customer is to provide transformer information to the EDC for only those transformers that the customer provides, not for transformers that the EDC provides. (See Appendix B in Attachment A)

## **Conclusion**

WHEREFORE, the Staff of the Illinois Commerce Commission respectfully requests that its recommendations be adopted in their entirety consistent with the arguments set forth herein.

Respectfully submitted,

/s/ \_\_\_\_\_  
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